



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

"To Enrich Lives Through Effective And Caring Service"

Board of Supervisors
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June 17, 2014

REVISED

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

46 June 17, 2014

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

**DEPARTMENT OF PUBLIC WORKS:
MARTIN LUTHER KING, JR. MEDICAL CENTER
RECUPERATIVE CARE CENTER PROJECT
ESTABLISH PROJECT
APPROVE PROJECT BUDGET AND SCHEDULE
APPROVE APPROPRIATION ADJUSTMENT
CAPITAL PROJECT NO. 87227
SECOND DISTRICT
(3 VOTES)**

SUBJECT

The recommended actions will establish the Martin Luther King, Jr. Medical Center Recuperative Care Center Project; approve the Project budget, schedule, and appropriation adjustment; and authorize the Department of Public Works to deliver the Project.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the Martin Luther King, Jr. Medical Center Recuperative Care Center Project is categorically exempt from the provisions of the California Environmental Quality Act for reasons stated in this letter and in the record of the Project.
2. Establish the Martin Luther King, Jr. Medical Center Recuperative Care Center Project, Capital Project No. 87227, and approve the Project budget in the amount of \$3,700,000.
3. Approve an appropriation adjustment to transfer \$3,700,000 from the Provisional Financing Uses Budget to the proposed Martin Luther King, Jr. Medical Center Recuperative Care Center Project.

4. Authorize the Director of Public Works to deliver the Martin Luther King, Jr. Medical Center Recuperative Care Center Project using a Board-approved Job Order Contract.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will find the proposed Martin Luther King, Jr. Medical Center (MLK) Recuperative Care Center (RCC) Project (Project) to be categorically exempt from the California Environmental Quality Act (CEQA); establish the MLK RCC Project (Capital Project No. 87227); approve the Project budget and schedule; and authorize the Department of Public Works (Public Works) to proceed with design and construction of the Project.

Background

In 2011, Health Management Associates found that, on any given day, between 120 to 140 Department of Health Services' (DHS) inpatients had long length of stays (LLOS), which are defined as patients who are clinically stable and ready for discharge, but remain hospitalized due to a lack of available lower level of care facilities suitable for their condition. These patients occupy a costly, scarce resource that could serve another patient with a higher level of need. Approximately 50 percent of LLOS patients were found to be homeless, many of whom require a short stay at a low-acuity care setting, such as a recuperative care center, upon discharge. While DHS has been working to reduce the number of LLOS patients, a shortage of recuperative care beds continues to be a significant barrier for discharging homeless LLOS patients.

Recuperative care is interim, non-licensed housing that helps stabilize homeless patients leaving inpatient hospital settings who would otherwise remain in the hospital because they lack a suitable discharge location to continue to stabilize their health condition. The establishment of a recuperative care center at the MLK campus will greatly assist DHS in achieving the following important objectives: 1) ensuring adequate availability of scarce and expensive acute care resources that target patients with acute care needs; 2) improve emergency department wait times and boarding times; 3) reduce the likelihood of LLOS patients readmission back to the hospital as a result of not having a stable place to recuperate; and 4) improve hospital revenues through timely discharge of patients who are no longer eligible for reimbursement (i.e., reducing "denied days").

Historically, DHS has had very few recuperative care options. Until recently, DHS was limited to 25 beds of recuperative care within the Bell Shelter. While extremely effective, there has not been nearly enough capacity to meet the discharge needs of the County of Los Angeles (County) hospitals. With the advent of DHS' Housing for Health Section, the development of additional recuperative/stabilization beds has been prioritized. In the last six months, DHS has opened 18 new beds operated by People Assisting the Homeless also known as PATH, 25 beds operated by Los Angeles Men's Place Community, and in June 2014, will open an additional 40 recuperative care beds located in South Los Angeles, bringing the total to 108 beds. This is a marked improvement, but still too few beds to meet the demands of the 1,200-bed hospital system in Los Angeles County. The MLK RCC will add approximately 108 beds and DHS will have access to a total of 216 beds that will serve as immediate discharge options for the County's entire hospital network.

While the expansion of recuperative beds is a key strategy, DHS fully recognizes that this expansion must be tied to an increase in the number of permanent housing options. Achieving this expansion helps ensure that patients who meet DHS' criteria based on medical complexity and service utilization and who would most benefit from permanent housing can more easily move to such

housing from recuperative care. To that end, DHS has been busy expanding its network of permanent supportive housing. In 2013, DHS added nearly 300 new units of permanent housing that drew heavily from the patients residing in our recuperative care sites. In 2014, DHS is poised to bring on another 700 permanent housing units. As recuperative care expands and there is a corresponding expansion of housing options, DHS envisions a seamless system of care that facilitates timely discharge into interim and permanent housing settings throughout the County.

Program Description

With a targeted average length of stay of four to six weeks, the MLK RCC program will provide stabilization and access to housing for approximately 900 to 1,400 patients per year. The program includes 24-hour, 7-day per week operational staff onsite to provide meals, security, janitorial, transportation, and other general operational supports. During daytime hours, clients will have access to a range of support services geared towards assisting them in achieving the maximum level of independence and for those who meet the criteria, prepare them to move into permanent supportive housing. Those who do not meet the criteria will be linked with other community based services to identify options for housing, including benefits advocacy, case management, health education and management, and housing placement services. There will also be onsite clinical operational support services provided primarily by registered nurses and nurse practitioners. If a client requires more specialized medical services, those services will be provided on an outpatient basis either at the new MLK Outpatient Center or via transport to other clinical locations.

Proposed Capital Improvements

The proposed Project includes the renovation of two floors in the existing Interns and Residents Building, which will provide DHS with approximately 108 recuperative care beds.

The Interns and Residents Building was constructed as part of the original MLK campus in 1972. Its original purpose was to house resident doctors providing services at the hospital. The building consists of six floors of residential apartments arranged with each having two sleeping rooms while sharing a common bathroom and kitchen. It also includes numerous common area functions located on the first floor.

The scope of work includes minor renovations to the sleeping rooms, including replacement of air-conditioning units, modifications to kitchen cabinets, refurbishment of finishes, and restroom refurbishment. The proposed Project also requires the demolition and reconstruction of certain rooms to allow use by DHS, support services, and to provide four Americans for Disabilities Act (ADA) accessible sleeping rooms, and eight ADA accessible restrooms. Additionally, the Project will include required upgrades to elevators, fire alarm, air-conditioning system, stairwells, and the development of an outdoor circulation space.

The Department of Public Works (Public Works) worked with DHS to develop the required scope of work and has conducted a building assessment. Based on the assessment, Public Works developed a cost estimate of \$3,700,000. This total Project budget estimate includes costs for construction, consultants, project management, design, and jurisdictional reviews.

Approval of the recommendations will allow Public Works to proceed with the implementation of design and construction for the Project. Public Works intends to use an as-needed consultant to prepare the design, and a Job Order Contractor (JOC) to complete the construction of the Project.

Green Building/Sustainable Design Program

The proposed Project is not subject to the Countywide Energy and Environmental Policy adopted by the Board on January 16, 2007, since it involves construction of a new building less than 10,000 gross square feet in size. The proposed Project is limited to modifications of the infrastructure within the existing buildings. The design will seek to optimize efficient use of water and electrical energy wherever possible.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs the provision of Operational Effectiveness (Goal 1) and Integrated Services Delivery (Goal 3), by investing in public health infrastructure to enhance the safety of patients and staff, and improving patient care with improved infrastructure.

FISCAL IMPACT/FINANCING

The estimated Project budget, including base construction, contingency allowance, design, permitting, inspection services, and project management is \$3,700,000. The Project is funded with \$3,700,000 in net County cost remaining from an original allocation of \$4,200,000 approved by the Board in fiscal year (FY) 2012-13, Supplemental Resolution, for the refurbishment of the Ted Watkins Building to operate as a psychiatric urgent care center. That Project is now being implemented by a mental health services provider, Exodus Recovery Non-Profit Foundation, through an agreement and funding from the Department of Mental Health, and a \$500,000 contribution from the County, as approved by the Board in November 2013.

The proposed Project Schedule and Budget Summary are included in Attachment A.

Operational Budget Impact

Once the MLK RCC is fully operational, the annual operating budget ~~for a contractor~~ to operate the facility is projected to be approximately \$3,900,000. This will be funded by DHS and sufficient funding for the annual operating budget has been included in the DHS FY 2014-15 Recommended Budget for the estimated implementation date in April 2015, based on the Capital Project completion. DHS' future fiscal years' budgets will be adjusted accordingly to reflect the annual operating budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In accordance with the Board's Civic Art Policy adopted on December 7, 2004, and as amended on December 15, 2009, Civic Art Allocation will represent an amount equal to 1 percent of the cost of design services and construction costs of the capital project.

ENVIRONMENTAL DOCUMENTATION

The proposed Project is categorically exempt from CEQA. The proposed Project, which involves interior renovation of existing space, including demolition within the existing space; installation of new partitions, ceilings, flooring, and fire alarm devices; reconfiguration of the heating, ventilation, and air conditioning, electrical, plumbing, ADA upgrades, and data line systems; and upgrade of the main fire alarm panel, is within a class of projects that have been determined not to have a significant effect on the environment in that it meets the criteria set forth in Section 15301(a), (f), and (l) of the CEQA Guidelines and Class 1(d), (h), and (i) of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G. The proposed Project involves negligible or no

expansion of an existing use. In addition, there are no cumulative impacts, unusual circumstances, or other limiting factors that would make the exemption inapplicable based on the Project records.

Upon the Board's approval of the Project, Public Works will file a Notice of Exemption with the Registrar-Recorder/County Clerk in accordance with Section 15062 of the CEQA Guidelines.

CONTRACTING PROCESS

Public Works will be using an as-needed architectural/engineering consultant for the plans and specifications of the proposed Project. Public Works intends to use a Board-approved JOC to construct the proposed Project.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The construction work will be conducted in a manner to minimize impact to current building occupants. Public Works will work with DHS to minimize construction impacts and disruptions to the building. All other functions on the campus will remain operational during construction.

CONCLUSION

Please return one adopted copy of this Board letter to the Chief Executive Office, Facilities and Asset Management Division; Department of Health Services, Capital Projects Division; and the Department of Public Works, Project Management Division I.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'W. T. Fujioka', with a long horizontal line extending to the right.

WILLIAM T FUJIOKA
Chief Executive Officer

WTF:SHK:DJT
SW:TH:zu

Enclosures

c: Executive Office, Board of Supervisors County
Counsel
Health Services
Public Works

June 17, 2014

ATTACHMENT A

**DEPARTMENT OF PUBLIC WORKS:
MARTIN LUTHER KING, JR. MEDICAL CENTER
RECUPERATIVE CARE CENTER PROJECT
ESTABLISH PROJECT
APPROVE PROJECT BUDGET AND SCHEDULE
APPROVE APPROPRIATION ADJUSTMENT
CAPITAL PROJECT NO. 87227**

I. PROJECT BUDGET SUMMARY

Project Activity	Completion Date
Programming	04/04/2014*
Design	07/01/2014
Jurisdictional Agency Approval	08/15/2014
Job Order Contract Construction	
Substantial Completion	01/30/2015
Acceptance	02/16/2015
Building Occupancy	TBD

*Indicates actual date.

II. PROJECT BUDGET SUMMARY

Budget Category	Project Budget
Land Acquisition	\$ 0
Construction	
Change Order	\$2,665,000
Change Orders Contingency	391,300
Site Repairs	0
Construction Consultants	0
Utility Connection Fees	0
Telecomm Equipment - Affixed to Building	0
Civic Arts	33,700
Subtotal	\$3,090,000
Programming/Development	\$ 0
Plans and Specifications	\$ 315,000
Consultant Services	
Site Planning	\$ 0
Hazardous Materials	20,000
Geotech/Soils Report and Soils Testing	0
Material Testing	5,000
Inspection Services	0
Topographic Surveys	0
Construction Management	0
Construction Administration	0
Environmental	0
Move Management (Move Manager Only)	0
Equipment Planning	0
Legal	0
Other: Labor/Outreach/Local Worker Hiring Program	20,000
Subtotal	\$ 45,000
Miscellaneous Expenditures	\$ 10,000
Jurisdictional Review/Plan Check/Permit	\$ 10,000
County Services	
Code Compliance Inspection	\$ 50,000
Quality Control Inspection	0
Design Review	0
Design Services	0
Contract Administration	28,000
Project Management	120,000
Project Management Support Services	0
ISD Job Order Contract Management	20,000
DPW Job Order Contract Management	12,000
ISD ITS Communications	0
Project Security	0
Project Technical Support	0
ISD Countywide Contract Compliance Section	0
County Counsel	0
Subtotal	\$ 230,000
TOTAL	\$3,700,000

June 17, 2014

ATTACHMENT B

**DEPARTMENT OF PUBLIC WORKS:
MARTIN LUTHER KING, JR. MEDICAL CENTER
RECUPERATIVE CARE CENTER PROJECT
ESTABLISH PROJECT
APPROVE PROJECT BUDGET AND SCHEDULE
APPROVE APPROPRIATION ADJUSTMENT
CAPITAL PROJECT NO. 87227**

**APPROPRIATION ADJUSTMENT
(See Attached)**

PINK

BA FORM 03/13

BOARD OF
SUPERVISORS
OFFICIAL COPY

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPARTMENT OF CHIEF EXECUTIVE OFFICE

DEPT'S. NO. 060

June 17, 2014

AUDITOR-CONTROLLER:

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

FY 2013-14

3 - VOTES

SOURCES

USES

PROVISIONAL FINANCING USES-VARIOUS
A01-CB-2000-13749-13760
Services and Supplies
DECREASE APPROPRIATION

\$3,700,000

HEALTH SERVICES
MLK Recuperative Care Center Project
A01-CP-6014-65036-87227
Capital Assets - Building Improvements
INCREASE APPROPRIATION

\$3,700,000

SOURCES TOTAL: \$ 3,700,000

USES TOTAL: \$ \$3,700,000

JUSTIFICATION

This appropriation is necessary to fully fund the MLK Recuperative Care Center Project, CP 87227.

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

AUTHORIZED SIGNATURE [NAME]

46

JUN 17 2014

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

REFERRED TO THE CHIEF
EXECUTIVE OFFICER FOR ---

☐

ACTION

☒

RECOMMENDATION

AUDITOR-CONTROLLER

BY

B.A. NO. 219

June 4 20 14

☒

APPROVED AS REQUESTED

☐

APPROVED AS REVISED

CHIEF EXECUTIVE OFFICER

BY

June 4 20 14